

**WestLink Communications ExParte
Regarding Receipt of USF Support Based On
Its Wireless ETC Cost Study Filed on
October 24, 2008**

**WC Docket No. 05-337 and
CC Docket No. 96-45**

January 4th & 5th 2010

Competitive Eligible Telecommunications Carriers Support Cap [\[1\]](#)

The Freeze allowed a limited exception to the fund cap if the wireless ETC submitted its own costs.

“... we find it in the public interest to adopt a limited exception to the interim cap if a competitive ETC submits its own costs. Specifically, a competitive ETC will not be subject to the interim cap to the extent that it files cost data demonstrating that its costs meet the support threshold in the same manner as the incumbent LEC.”

[\[1\]](#) See *In the Matter of High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Alltel Communications, Inc., et al. Petitions for Designation as Eligible Telecommunications Carriers, RCC Minnesota, Inc. and RCC Atlantic, Inc. New Hampshire ETC Designation Amendment*, Order (“FCC Cap Order”), WC Docket No. 05-337 and CC Docket No. 96-45, released May 1, 2008.

Commission Action Is Necessary To Provide Guidance To USAC Regarding Support To Be Provided Based On Filed Cost Studies

- FCC CETC Cap Order – May 1, 2008
- Wireless Cost Study Procedures Filed With the FCC by GVNW – August 8, 2008
- WestLink Cost Study Filing Requesting Cost Based Support – October 24, 2008
- Advantage Cellular Petition Public Notice Regarding Support Based On Identical Support If A Filed Cost Study Supports A Need For Such Support – July 21, 2009
- WestLink ExParte Requesting Receipt of Cost Based Support or As An Interim Alternative, Based On Identical Support – September 10, 2009

Effect of USF Cap on WestLink

Support received without the fund CAP

- Under the identical support rule, WestLink's 2009 USF support would have been \$ 323,948.^[2]

Support received with the fund CAP

- Under the new CAP, almost 25% of WestLink's 2009 USF support will be withheld. The USF support under the cap is conservatively expected to be \$247,368. ^[3]

Shortfall caused by the CAP

- Under the current CAP mechanism, WestLink's annual shortfall is projected to exceed \$76,580 dollars.

^[2] Support per line was calculated using 4Q2009 USAC FCC filings HC01 and HC05 filings (<http://www.usac.org/about/governance/fcc-filings/2009/quarter-4.aspx>) . Support was then multiplied by WestLink lines as of 12/30/2008. These figures will change quarterly as line counts are submitted and new CAP factors are calculated for Kansas.

^[3] 4Q2009 USAC FCC filing HC01 - annualized. (<http://www.usac.org/about/governance/fcc-filings/2009/quarter-4.aspx>). These figures will change quarterly as line counts are submitted and new CAP factors are calculated for Kansas.

WestLink's Wireless Service

- WestLink has deployed a PCS wireless network, which is comprised of a state-of-the-art reliable wireless voice and data system serving numerous high cost and low density areas in Kansas. In November 2007, WestLink was granted ETC status in portions of its service territory by the Kansas Corporation Commission.[\[4\]](#)
- Federal universal service support enables WestLink to deploy and maintain quality universal services in the high cost low density areas that it serves.
- A significant portion of WestLink's ETC service territory is SBC rural areas, which have negligible federal support per line. WestLink will use additional cost based support to provide not only basic service, but also mobile broadband service in SBC and other areas where it is currently unavailable.

[\[4\]](#) Kansas Corporation Commission Docket No. 07-WLCT-1439-ETC, dated November 21, 2007

WestLink Communications' Licensed and ETC Service Areas

Legend

- Licensed Service Area Boundary
- ETC Designated Service Area (SBC/ATT)
- ETC Designated Service Area (ILEC)
- ETC Designated Service Area (United/Embarq)

The FCC Provided No Specific Cost Guidance To Implement the Cap Exception

- The FCC order allowed an exception for wireless ETCs that filed a cost study, but set forth no specific cost rules.
- The WiPan costing methodology was filed with the FCC to provide such a costing methodology [\[5\]](#).
- The WiPan cost procedures follow existing ILEC costing support requirements with wireless actual costs.
 - Accounting – Part 32
 - Non-Regulated – Part 64
 - Separations – Part 36
 - USF – Part 36, 54 and 69

[\[5\]](#) GVNW Consulting, August 8th, 2008 Ex parte filing in WC Docket No. 05-337 and CC Docket No. 96-45.

WestLink's Cost Study Filing [\[6\]](#)

- WiPan's cost methodology, identifies whether a wireless carrier may actually need high cost funding based on a verifiable, auditable and actual cost based accounting and cost assignment methodology, like that used by rural ILECs.
- The WestLink WiPan cost study demonstrates that an annual universal service support amount of \$ 3,840,361 is required for WestLink to provide the required universal services in the high cost and low customer density areas where WestLink has been designated as an ETC in Kansas. This total cost based support is composed of:

• High Cost Loop Support	\$ 1,798,149
• ICLS	\$ 733,883
• Local Switching Support	\$ 1,308,329
• Total Cost based support	\$ 3,840,361

[\[6\]](#) WestLink Communications, LLC Wireless Cost Study - WC Docket No. 05-337 and CC Docket No. 96-45 dated 10/24/2008. Cost based support levels revised with this ExParte based on updated data and revised cost study calculations – See Attachments 1 (HCLS), Attachment 2 (ICLS) and Attachment 3 (LSS).

WestLink Identical Support Compared to Actual Cost Support [\[7\]](#)

Study Area Name	Annual Support under the Identical Support Rule	Annual Support under the WiPan cost method
ELKHART TEL CO INC	12,636	5,143
GOLDEN BELT TEL ASSN	33,288	27,431
H & B COMMUNICATIONS	4,953	5,143
HOME TEL CO	10,393	5,143
MUTUAL TEL CO	0	0
PIONEER TEL ASSN INC	178,612	726,068
RURAL TEL SERVICE CO	30,765	9,429
S & T TEL COOP ASSN	0	0
S. CENTRAL TEL - KS	4,884	1,714
SUNFLOWER TEL CO	495	1,714
UNITED TEL ASSN	40,583	34,289
UNITED OF EASTERN KS	683	6,001
UTC OF KANSAS	3,677	55,720
SOUTHWESTERN BELL-KS	2,980	2,962,564
Total	323,948	3,840,361

[7] Support per line was calculated using 4Q2009 USAC FCC filings HC01 and HC05 filings (<http://www.usac.org/about/governance/fcc-filings/2009/quarter-4.aspx>) Support per line was then multiplied by WestLink lines as of 12/30/2008. These figures will change quarterly as line counts are submitted and new CAP factors are calculated for Kansas.

Relief Requested By WestLink

- WestLink attempted in good faith to fulfill the requirements of the exception to the Commission's CETC universal service support Cap Order by performing a cost analysis demonstrating that its costs meet the universal service support threshold in the same manner as ILECs.
- Based on the cost information submitted, WestLink requested that the Commission direct USAC to begin distributing the annual \$3,840,361 in cost based support to WestLink.
- As an alternative, while the FCC considers an appropriate costing methodology, WestLink, in the interim, would be willing to accept uncapped per-line identical support.
- Subsequently, when the Commission adopts a costing method for wireless ETCs, WestLink's support would transition to the cost based methodology.